

## SALES AND EARNINGS REPORTS

Record sales and earnings were reported by United States Tobacco Co. for the first nine months of fiscal 1968. Consolidated sales increased to \$46.9 million, a gain of \$1.7 million over the first three quarters of 1967. As for consolidated earnings, \$4.4 million has been tallied for the first nine months of this year against the \$4.1 million recorded for the similar period of 1967.

Lorillard Corp. has reported third-quarter earnings of about \$8 million, or \$1.24 per common share, compared with \$8.3 million or \$1.25 for the same period last year. Consolidated net sales for the quarter were \$153.3 million compared with \$147.1 million in the same quarter of 1967.

Net income for the first nine months totaled \$22.1 million, equal to \$3.39 per common share, against \$22.7 million, or \$3.41, for the same period last year. Consolidated net sale rose to \$440.2 million as against \$424.6 million for the first nine months of 1967.

R. J. Reynolds Tobacco Co. recently announced record sales and pre-tax earnings for the third quarter and first nine months of 1968. However, net earnings decreased from 1967 because of the 10% surcharge on Federal income taxes effective during 1968. Earnings before taxes on income for the three months ended September 30 were \$89.1 million compared with \$88.2 million in 1967. Nine-month pretax earnings were \$243.4 million or 8.2% above the prior year's amount of \$224.9 million. Consolidated net earnings for the third quarter were \$41.2 million, or \$1.02 per common share, a decrease from the \$43.1 million, or \$1.05 per common share, for 1967. For the first nine months, net sales were \$1,472 million, or 3.3% higher than the \$1,424 million recorded for the same period of 1967.

Net income of Liggett & Myers, Inc. rose in the September quarter to \$7 million, or 89 cents a share, from \$6.2 million, or 77 cents a share, in the same period last year. Net sales climbed to \$145.9 million from \$138.5 million. L&M said third quarter sales and earnings reflected a sales rise in alcoholic beverages and reflected the inclusion of sales and earnings of the National Oats Co., which acquired Sept 30, 1967.

For the nine months period, net income rose to \$17.7 million from \$16.9 million in the corresponding 1967 period. Net sales declined to \$413.7 million from \$425 million last year for the same period.

Interstate United recently reported pretax earnings of \$3.1 million for its fiscal year ended July 7 as compared with earnings of \$1.5 million for its previous fiscal year. The company operates vending units and many other food service facilities.

Consolidated net income of The Gillette Co. for the nine months ended September 30 was \$47.8 million as compared to \$45.7 million for the same period in 1967. Net sales were \$417.8 million as against \$327.5 million. Net income for the three months ended September 30 was \$16.7 million for this year and \$16.1 million for 1967.

American Tobacco Co.'s net income for the first three quarters was \$66.1 million, or \$2.42 per common share, as compared with \$65.8 million, or \$2.32 per common share in 1967. Dollar sales for the first nine months were \$1,222.6 million as compared with \$1,118.3 million for the 1967 period. Results for 1968 reflect American Tobacco's 78% interest in Duffy-Mott Co. and 67% interest in Gallaher Ltd.

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Friday, December 6, 1968

## Reynolds Tobacco Says Faith in Industry Shown By \$7 Million Expansion

By a WALL STREET JOURNAL Staff Reporter

NEW YORK—R. J. Reynolds Tobacco Co. announced a \$7 million plant expansion that it said symbolizes its determination "to remain the nation's largest manufacturer of cigarettes" and demonstrates the company's "faith in the continued success of everyone in the tobacco industry."

The new facility will be a 128,000-square-foot addition to Reynolds' Whitaker Park cigaret factory in Winston-Salem, N.C., bringing total floor space there to nearly 750,000 square feet, according to A. H. Galloway, president and chief executive officer.

The Whitaker Park plant, built in 1961 and described by Reynolds as the largest cigaret factory in the world, makes about 70% of the Winston and Camel brand cigarettes produced. Some 12% of the firm's sales come from nontobacco products, such as food.

The addition will be used for tobacco blending, processing, shipping and material storage, Reynolds said. Construction will begin this month and is scheduled to be completed by the spring of 1970.

In October, Reynolds dedicated a previously reported \$9 million product development center.

Reynolds' statement expressing faith in the tobacco industry appeared to be a response to privately aired criticism of it by other tobacco companies and industry leaders for allegedly downgrading the industry. The company was the first to publicly concede that antismoking efforts and higher cigaret taxes had hurt cigaret consumption. As a result of these, Reynolds had said, it will seek future growth outside of tobacco products.

More recently, Manuel Yellen, chairman of Lorillard Corp., attributed the concern's decision to merge into Loew's Theatres Inc. to "the present uncertainties with respect to the future growth of the tobacco industry."